

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

PUERTO RICO TELEPHONE COMPANY)

Request for Temporary Waiver)
of the Commission's Rules to)
Establish Competitive Service)
Safeguards for Local Exchange)
Carrier Provision of)
Commercial Mobile Radio)
Services)

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WT Docket No. 96-162

To: Chief, Commercial Wireless
Division

SECOND SUPPLEMENTAL PETITION FOR TEMPORARY WAIVER

Puerto Rico Telephone Company ("PRTC"), by its attorneys and pursuant to Section 1.41 of the Commission's Rules, 47 C.F.R. § 1.41, hereby requests a second extension of the temporary waiver authorized by the Commercial Wireless Division in the captioned Order, DA 98-251, adopted and released on February 10, 1998 ("Waiver Order"). In the Waiver Order, the Division granted PRTC an additional sixty days from February 11, 1998, to establish a separate affiliate for the provision of in-region broadband commercial mobile radio services ("CMRS").¹ The Division extended the temporary waiver for another sixty days in an Order, DA 98-702, adopted and released on April 10, 1998 ("Extension Order").

¹ Waiver Order at ¶ 3. See In the Matter of Amendment to the Commission's Rules to Establish Competitive Service Safeguards for Local Exchange Carrier Provision of Commercial Mobile Radio Services, Report and Order, FCC No. 97-352 (rel. Oct. 3, 1997). The Commission's new requirement was effective February 11, 1998.

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The Waiver Order responded to PRTC's January 16, 1998, Petition for Temporary Waiver, in which PRTC demonstrated that it was preparing to comply with the Commission's new separate CMRS affiliate requirement, but wished to know the results of a pending Request for a Private Letter Ruling to the Internal Revenue Service ("IRS") on the federal tax consequences of establishing such an affiliate before structuring the necessary reorganization. PRTC outlined the unique treatment of Puerto Rico corporations under federal tax laws and explained that a temporary waiver might help PRTC to establish a separate CMRS affiliate without incurring substantial unnecessary tax liabilities. PRTC incorporates and reiterates the substance of its Petition for Temporary Waiver by reference.

The additional sixty-day waiver granted in the Extension Order expires on June 11, 1998. Since the adoption of the Extension Order, PRTC has been engaged in extensive discussions with the IRS regarding certain technical issues raised by the proposed restructuring. These technical issues appear to have been favorably resolved, and PRTC recently was advised that the IRS tax law specialists have completed a draft of the proposed private letter ruling. The ruling is expected to move to the final review phase within the Financial Products Division of the IRS by May 26, 1998, which phase is expected to last for three to five weeks. If no unresolvable objection is raised during this phase, the proposed letter ruling will then be delivered to all appropriate principal bureaus of the IRS for a simultaneous

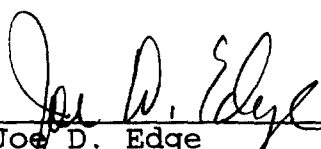
"three-day review" during which the agency will have a final opportunity to consider the proposed letter ruling. Private letter rulings are generally issued shortly after the "three-day review" is completed. Thus, although the proposed letter ruling appears to be in the final review phase, it is unlikely that the IRS will issue the ruling before the June 11, 1998, expiration date of the Extension Order.

For these reasons, PRTC hereby requests an additional sixty days from June 11, 1998, to establish a separate affiliate for the provision of in-region broadband CMRS. PRTC will notify the Commission immediately of any further response it receives from the IRS with regard to its Request for a Private Letter Ruling.

Respectfully submitted,

PUERTO RICO TELEPHONE COMPANY

By:


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May 22, 1998